

due to the company on the note or undertaking by means thereof, shall be taken and received as *prima facie* evidence thereof in any Court in this Province. R. S. O. 1877, c. 161, s. 52.

130.—(1) The company may form a reserve fund, to consist of all moneys which remain on hand at the end of each year, after payment of the ordinary expenses and losses of the company; and for that purpose the board of directors may levy an annual assessment not exceeding ten per centum on the premium notes or undertakings held by the company; and the reserve fund may from time to time be applied by the directors to pay off such liabilities of the company as may not be provided for out of the ordinary receipts for the same or any succeeding year. R. S. O. 1887, c. 161, s. 53 (1). Reserve fund.
Annual assess-
ment.
how applied,

(2) The reserve fund shall be invested in stock, debentures or other securities in which trustees may invest trust money, or may remain in a chartered bank in Ontario deposited at interest in the name of the company. R. S. O. c. 161, s. 53; 42 V. c. 21, s. 2; 49 V. c. 16, s. 24. how invested.

131. If there is a loss on property insured by the company, the board of directors may retain the amount of the premium note or undertaking given for insurance thereof, until the time has expired for which insurance has been made, and at the expiration of said time the insured shall have the right to demand and receive such part of the retained sum as has not been assessed for. R. S. O. 1877, c. 161, s. 63. Directors may
retain amount
of premium
notes.

132. Forty days after the expiration of the term of insurance, the premium note or undertaking given for the insurance, shall, on application therefor, be given up to the signer thereof, provided all losses and expenses with which the note or undertaking is chargeable have been paid. R. S. O. 1877, c. 161, s. 54. When pre-
mium note is
to be returned.

133. Any action cognizable in a Division Court upon or for any premium note or undertaking, or any sum assessed to be assessed thereon, may be entered and tried and determined in the Court for the division wherein the head office or any agency of the company is situate: Action in
Division
Courts where
brought.

Provided always, that the provisions of this section shall not apply to nor include any such premium note or undertaking made or entered into after the first day of July, 1885, nor any sum assessed thereon, unless within the body of such note or undertaking or across the face thereof, there was at the time of the making or entering into the same, printed in conspicuous type, and in ink of a colour different from any other in or on such note the words following: "Any action which may be brought or commenced in a Division Court in respect or on account of this note or undertaking, or any sum to be assessed thereon, may be brought and commenced against the maker hereof in the Division Court for the division wherein the head office or any agency of the company is situate." R. S. O. 1877, 161, s. 71; 48 V. c. 35, s. 1. Actions on
premium notes
in Division
Courts, where
brought.

134. No premium note or undertaking shall create a lien upon lands on which the insured property is situate. R. S. O. 1877, c. 161, s. 73. Premium
notes not to
create lien on
land.